

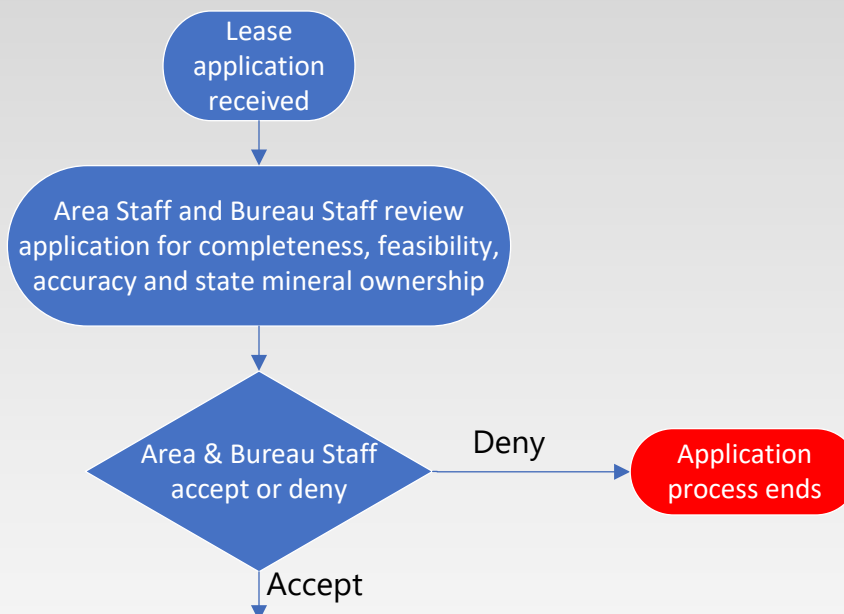


## - EXPIRING LEASES - MINERALS and OIL & GAS LEASE ISSUANCE PROCESS

### 1. EXPIRING LEASE ADVERTISING

- IDL advertises expiring leases on the IDL website ([www.idaho.idl.gov](http://www.idaho.idl.gov)) 3 years prior to the expiration
- IDL may advertise expiring leases using other forms of media at its discretion
- Notice of application published in the local newspaper 5 weeks prior to the application deadline of April 30th (the year prior to lease expiration)
- IDL sends application to each lessee of expiring lease and any interested party (January 1st - April 30th of the year prior to expiration)

### 2. LEASE APPLICATION and REVIEW



### 3. LEASE DRAFTING

- Area Staff provide lease information to Bureau Staff
- Bureau Staff review and develop the draft lease
- Office of Attorney General reviews and suggests revisions to the draft lease, as needed
- Bureau Staff and Areas Staff review suggestions and resolve any questions
- Bureau Staff and Area Staff agree to revisions to the draft lease
- Office of Attorney General approves draft lease for further processing
- IDL provides draft lease to applicant for review and acceptance/acknowledgement

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### 4. LEASE AUCTION

**On-Line Auction**  
using  
EnergyNet.com

**Auction Format**  
(determined by  
Bureau Staff)

**In-Person Auction**

#### Advertising

- IDL notifies applicant of auction opening and closing dates
- EnergyNet.com posts auction information including:
  - auction opening and closing dates
  - auction registration process
  - auction rules and process
  - draft lease and other related information
- EnergyNet.com advertises auction
- IDL advertises auction on [www.idl.idaho.gov](http://www.idl.idaho.gov)
- IDL posts auction notice in local IDL office and Staff office
- Legal notice of auction published in local newspaper for 4 weeks

#### Auction

- Applicant registers on EnergyNet.com
- Other interested parties register on EnergyNet.com
- Auction is opened by EnergyNet.com for 1 week
- Registered participants bid until auction closing time
- EnergyNet.com identifies auction winner
- Auction winner pays EnergyNet:
  - application fee
  - first year's rent
  - pre-paid royalty (if required)
  - auction bid amount

#### Advertising

- IDL notifies applicant of auction date, time and location
- IDL advertises auction on [www.idl.idaho.gov](http://www.idl.idaho.gov)
- IDL advertises auction using other methods at its discretion
- IDL posts auction notice in local IDL office and Staff office
- Legal notice of auction published in local newspaper for 4 weeks

#### Auction

- Applicant registers at the auction location
- Other interested parties register at the auction location
- Auction process and rules are explained to participants
- Auction is opened for bidding
- Auction participants bid until auction is closed
- Auction winner pays IDL:
  - application fee
  - first year's rent
  - pre-paid royalty (if required)
  - auction bid amount

IDL presents auction results to Idaho State Board  
of Land Commissioners (Land Board) for approval

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### **5. LEASE EXECUTION**

- Bureau Staff revise lease to include pending lessee information
- Bureau Staff sends lease to pending lessee for notarized signature
- Lessee returns executed lease to IDL
- Final Office of Attorney General review of lease
- ID submits lease to Director and Land Board for signatures
- Pending lessee submits to IDL any required financial assurance or other required documentation
- IDL sends fully executed lease to lessee and lease commences